

21 C.J.S. Courts § 295

Corpus Juris Secundum | May 2023 Update

Courts

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VIII. Concurrent and Conflicting Jurisdiction

B. State and United States Courts

4. Enjoining Proceedings in Other Court

a. In General

§ 295. Effect of Tax Injunction Act

[Topic Summary](#) | [References](#) | [Correlation Table](#)

West's Key Number Digest

West's Key Number Digest, [Courts](#)  508(6)

Because the Tax Injunction Act is designed to insure that federal courts do not interfere with states' collection of taxes, the Anti-Injunction Act, not the Tax Injunction Act, is applicable where federal parties are seeking an injunction against the conduct of a state case in which the state plaintiffs seek to enjoin the assessment of state taxes.

The Tax Injunction Act provides that the federal courts may not enjoin, suspend, or restrain the assessment, levy, or collection of any tax under state law where a plain, speedy, and efficient remedy may be had in the courts of the state.¹ Congress passed the Tax Injunction Act (TIA) to reverse the trend, in state tax cases, of federal courts becoming free and easy with injunctions.² However, because the Tax Injunction Act is designed to insure that federal courts do not interfere with states' collection of taxes, the Anti-Injunction Act, not the Tax Injunction Act, is applicable

where federal parties are seeking an injunction against the conduct of a state case in which the state plaintiffs seek to enjoin the assessment of state taxes.³

CUMULATIVE SUPPLEMENT

Cases:

Consumer's claim for damages against medical records company, based on company's allegedly illegal collection of sales tax for medical records, would risk disrupting Maryland state tax collection, and thus, to the extent the Tax Injunction Act (TIA) did not expressly forbid consumer's damages claims, federal-state comity doctrine barred federal court from ordering damages for consumer; claims turned solely on proper interpretation of Maryland tax law, and award of damages against vendors in the performance of their tax collection duties had potential to disrupt Maryland's entire system of revenue collection. 28 U.S.C.A. § 1341. *Gwozdz v. HealthPort Technologies, LLC*, 846 F.3d 738 (4th Cir. 2017).

Tax Injunction Act's jurisdictional bar extends to actions for declaratory relief. 28 U.S.C.A. § 1341. *Big Sandy Rancheria Enterprises v. Bonta*, 1 F.4th 710 (9th Cir. 2021).

Under the Anti-Injunction Act, a tax-related law can be challenged, only after the law is enforced, via a refund lawsuit. 26 U.S.C.A. § 7421(a). *Gulf Coast Maritime Supply, Inc. v. United States*, 867 F.3d 123 (D.C. Cir. 2017).

[END OF SUPPLEMENT]

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Footnotes

- 1 C.J.S., Taxation § 1208.
- 2 U.S.—*Levin v. Commerce Energy, Inc.*, 560 U.S. 413, 130 S. Ct. 2323, 176 L. Ed. 2d 1131 (2010).
- 3 U.S.—*Dunn v. Carey*, 808 F.2d 555 (7th Cir. 1986).